



CALPEEK

CALIFORNIA POLITICAL WEEK

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VOL. XX
No. 21

MAY 25, 1998

CAMPAIGN '98: VEHICLE LICENSE FEE TAX SEEN AS A MAJOR WEDGE ISSUE FOR REPUBLICANS IN 1998.

Editor's note: Republicans see repeal of the *vehicle license fee*(VLF) as a *wedge issue* to be used against Demos in *Campaign '98*. "We are prepared to make this the biggest taxpayer battle since Prop. 13," declares GOP Assemblyman Tom McClintock of Northridge, the driving force to repeal the VLF and author of AB 1776. But it's more complex than Prop. 13 and local government could get screwed once again if lawmakers aren't careful. Here's our update & analysis...

...With a **\$4 billion** budget surplus, repealing or reducing the VLF rate is appealing to GOP political consultants and legislators alike. At the recent governor's debate, AG Dan Lungren(R) favored total repeal, which will eat up the entire surplus. Demo Al Checchi disagreed: spend the surplus repairing infrastructure & improving education. Demos Jane Harman & Gray Davis took the middle ground: spend part of the surplus on education & infrastructure and give part of the surplus back to taxpayers...

...The average VLF payment is about **\$185** per year and about **90%** of the fee collected by the DMV goes to local government for **public safety** and other vital services. So if the legislature is going to repeal or reduce the VLF, local government is demanding that lawmakers **replace the loss**. McClintock and his GOP allies seem to agree, but the cities and counties want the legislation guaranteeing this to be in the form of a constitutional amendment. FYI: sources say if no deal on repealing or reducing the VLF is agreed to in this session of the legislature, McClintock & Co. are prepared to go for an initiative in June of 2000. Demos are watching carefully - they don't want to discourage *GOP infighting* between McClintock & Gov. Pete Wilson. The governor has proposed a reduction in the

VLF rate vs. McClintock's outright repeal of VLF...

...One sticking point: **Orange County** has issued hundreds of millions of dollars in recovery bonds to bail the county out of bankruptcy. The security behind these bonds is revenue from the VLF. In 1995, Assemblywoman Marilyn Brewer(R) won approval for AB 200, a covenant between the State and the bondholders which says the State will never do anything to impair the county from paying back its debt...

...FYI: According to our sources, where repayment of a bond is secured by a specific revenue source, the U.S. and Calif. Supreme Courts have repeatedly said that the contract clauses of the U.S. & Calif. Constitutions prohibits repealing, postponing, diminishing or otherwise impairing the tax levies which are the means of repaying bonds. Politically, sources say if McClintock and/or Wilson do anything to imperil repayment of the bonds, they will PO some powerful GOP constituents. Bond coupon clippers tend to be older Republicans who vote. Stay tuned...

CAMPAIGN '98: GOP U.S. SENATE RIVALS WILL DEBATE. IS FONG CLOSING THE POLLING GAP?

Editor's note: With a week to go before the June 2nd primary, the GOP battle to see who will face Demo U.S. Sen. Barbara Boxer may be getting tighter now that Treasurer Matt Fong(R) is finally on tv. And Fong and *deep pocketed* businessman Darrell Issa(R) will square off in a debate on May 28th sponsored by the *San Jose Mercury News*. Here is our brief analysis...

...According to the Issa campaign, they are the ones who approached the *Mercury News* and suggested this second U.S. Senate debate. Earlier this year, Fong and Issa debated at the CRP convention in Burlingame. If you believe Issa is ahead and that *the only people*

who care about debates are candidates behind in the polls and the League of Women Voters, then you have to wonder why Issa might risk it all in another debate with Fong this late in the campaign. Boxer won't take part and that's the smart move...

...Is the gap between Issa and Fong tightening? Our sources expect new surveys any time, but they tell us Fong has a 50/50 chance to pull an upset. "If I were Issa, I'd be alarmed - no pun intended," one source told **Calpeek**. This source said that as of last week, Fong was within the margin of error of being even with Issa. The race is getting closer because Fong is finally on tv. With a simple yet conservative message, he stresses his experience on the BoE and as Treasurer...

...As for Issa, he's back on tv once again (he was off for a while) with an attention grabbing blooper-type ad. The humor is supposed to cut through the clutter of the other political tv ads now on the air. Our sources feel it is a somewhat risky ad. Critics say that Issa's campaign could have produced something that was just as effective, without the risk. After all, being U.S. Senator is a serious job - not one to be taken lightly...

...FYI: If there is one thing all neutral GOP sources say, and we'll repeat it again, it is that with Issa's money he should have long ago put this primary out of reach. Instead, these sources point to a campaign without direction or strategy. Will Issa ultimately defeat Fong? Our sources are divided. Stay tuned...

FRANK SINATRA: THE MAN AND HIS POLITICS

Ol' Blue Eyes (aka: The Chairman of the Board and The Voice), died May 14th. He was 82. Here's a very brief look at the political side of Frank Sinatra...

...Everyone probably remembers Sinatra's links to **JFK**. One of the first events where he appeared for JFK was on Nov. 1, 1959. Sinatra, Dean Martin, Joey Bishop, Sammy Davis Jr. and Rat Pack fem buddy Shirley MacLaine provided the pro bono entertainment at a \$100 per person event at the Beverly Hilton sponsored by the Calif. Demo Party, with JFK as the keynote speaker. The link between Sinatra and JFK was provided by the 5th member of the Pack, actor Peter Lawford, who was married to one of JFK's sisters. Cost of the prime rib dinner was \$12.50. The event was a huge success. This was a year before JFK was elected...

...And while in later years Sinatra was close to former First Lady Nancy Reagan and Pres. Ronald Reagan, in 1966 Sinatra supported Demo CA Gov. Pat Brown and put on the Show of Shows at the L.A. Sports Arena for Brown. It featured the Rat Pack and such Vegas headliners as singer Keely Smith. The entertainment costs were picked up by Sinatra. And Sinatra was a very big backer of the late Hubert H. Humphrey, both in '68 and '72. Although a lifelong Demo, after the '72 campaign Sinatra's interest in politics seemed to wane until RR became president. For a different view of Sinatra, you should read Ed Rollins' book (the part about the '88 Reagan reelection campaign and the almost disastrous visit to Hoboken, NJ). R.I.P...

CAMPAIGN '98: CALIFORNIA INITIATIVE UPDATE.

Editor's note: Here's another update on the hot ballot measures for June 2nd primary election. In addition to an update about Prop. 227, the Unz Initiative to ban bilingual education, **Calpeek** is providing a box showing the editorial positions of Calif.'s 8 largest newspapers. Prop. 223 is the 95/5 Initiative; Prop. 224 is the competitive bidding initiative; Prop. 226 is the anti-union measure. Here' our update & analysis...

	<u>223</u>	<u>224</u>	<u>226</u>	<u>227</u>
L.A. Times	NO	NO	NO	NO
Sacto BEE (McClatchy)	NO	NO	NO	NO
S.F. Chronicle	NO	NO	-	-
S.F. Examiner	NO	NO	NO	NO
San Jose Mercury News	NO	NO	NO	NO
L.A. Daily News	-	NO	YES	YES
Orange Co. Register	-	NO	YES	-
San Diego Union-Trib.	NO	NO	YES	NO

☒ **Prop. 227** - The big news is that Gov. Pete Wilson(R) and the GOP candidate to replace him, AG Dan Lungren(R), are on opposite side in this battle over replacing the traditional method of teaching non-English speaking kids how to learn English. Lungren made his position known at the recent gubernatorial debate, while Wilson announced his decision May 18th, shortly after vetoing SB 6, a compromise bilingual bill by State Sen. Dede Alpert(D-San Diego)...

...Ron Unz, who is the driving force behind 227, has denounced Wilson's endorsement - saying 227 opponents might use Wilson's support to hit the anti-bilingual initiative. Wilson press secretary Sean Walsh shot back, saying, "Little words from a little man." Wilson

and Unz don't like each other and never have. In '94 Unz ran against Wilson for governor in the GOP primary and got 34%...

...FYI: L.A. Mayor Richard Riordan is spending \$250,000 on an independent expenditure Spanish-language tv buy in S.F., L.A., San Diego, Fresno and Sacto for YES on 227. The :30-sec. spot was produced by consultant Arnie Steinberg and features Riordan and his daughter, Mary Beth, who speaks fluent Spanish. Stay tuned...

CAMPAIGN '98: UPDATING COUNTY SHERIFF RACES.

Editor's note: This week we'll brief update three County Sheriff primaries...

☒ **Sacramento Co.** - The favorite in this battle to succeed retiring Glen Craig remains Undersheriff Lou Blanas, but the race has taken on some very *dark* and *vicious ethnic* overtones. Blanas' signs are being torn down and those which are not ripped up are being defaced with an ethnic slur --- *Greek Mafia*. Many, but not all sources, think Blanas has a good shot to get more than 50% in the primary, but with 4 rivals, who knows? Two of the challengers, Isleton PD Chief Eugene Byrd, is the more conservative, being a big 2nd amendment/pro-CCW permit backer. DSA VP Dave Grant also is a top rival, but the deputy sheriffs association is backing Blanas, much to Grant's displeasure...

☒ **Santa Clara Co.** - This is a wide open race to replace retiring Sheriff Charles Gillingham, who is running for a San Jose City Council seat. There are four very solid contenders: DSA VP Jose Salcido, who is endorsed by SJ Mayor Susan Hammer and the DSA and County Firefighters; Asst. Sheriff Laurie Smith, a woman and the only GOPer in this field; Asst. Sheriff Tom Sing, who is backed by Gillingham, Co. Supes. Beale & McHugh and by the County Demo Central Cmt.; and Asst. Sheriff Ruben Diaz, who is backed by the AFL-CIO as well as the County Demo Party. None of the above will win without a runoff. Total toss up...

☒ **Orange Co.** - A small group of deputy sheriffs who are backing O.C. Marshal Mike Carona got a TRO against the large Assn. of O.C. Deputy Sheriffs, who back Santa Ana PD Chief Paul Walters. The TRO stops the association from spending a huge hunk of

money (in the form of an independent expenditure) on direct mail for Walters. Sources say the ruling by L.A. Co. Sup. Court Judge Robert H. O'Brien was based on Prop. 208 - which has been declared **unconstitutional**. The AOCDS will appeal this ruling, but time works against the association. Carona has a huge war chest, while Walters is starved for funds. However, deputies have been out walking precincts every weekend for Walters. Is this enough? Stay tuned...

CAMPAIGN '98: UPDATE ON HOT ASSEMBLY RACES.

Editor's note: Here is Part VI in our continuing coverage of hot CA State Assembly primary contests...

☒ **10th AD** - This is the seat now occupied by *termed out* Assemblyman Larry Bowler(R-Sacto). This is GOP turf, so Demos need not apply. There are 9 Republicans in this field, but sources ID only 3 as being solid contenders: Dr. Alan Nakanishi, who is supported by the CA Medical Assn. and has backing from the CRA; Lodi Councilman Phillip Pennino, who is backed by BOE member Dean Andal(R); and Anthony Pescetti, a moderate who is a SMUD Board member. Nakanishi and Pennino are appealing to conservatives, thus it is possible Pescetti could sneak in. Most sources view the GOP primary as a *toss up*...

☒ **75th AD** - This is the San Diego Co. seat now belonging to Jan Goldsmith(R-Poway), who is running for State Treasurer. It's GOP turf and there are 3 candidates who are lumped together. Joel Anderson is backed by Assemblymembers Baldwin & Kaloogian; *deep pocketed* businessman Mark Price also has considerable conservative support; and then there is Poway School Board member Charlene Zettel. With Anderson & Price slashing each other, the *Marilyn Brewer scenario* is certainly possible - meaning Zettel, who is a Latina GOPer, has a shot. Right now it's a *toss up*...

☒ **76th AD** - Republicans would dearly love to knock off Demo Susan Davis(D), but it will be tough. There are two GOPers battling: attorney Duane A. Admire, who is a conservative backed by the new GOP trial lawyers group; and nurse Linda Escher-Davis, described by many as the better of the two --- and in fact one GOP operative in Sacto says Susan Davis wins again if Admire is the nominee. The CRA is neutral. *Toss up*...

☒ **78th AD** - Freshman Demo Howard Wayne is another GOP target this fall. There are 3 GOPers battling in the primary: motorcycle dealer (w/ponytail) Myke Shelby, who is a leading opponent of CA's motorcycle helmet law; conservative attorney Rick Wildman; and Coronado School Bd. member Jean Roesch, a moderate who really fits the district. Our sources rate the primary as a *toss up*. Stay tuned...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

■ **DiFi Backs Harman** - It should not come as a surprise that U.S. Sen. Dianne Feinstein(D) has endorsed U.S. Rep. Jane Harman(D) for governor. And DiFi is on tv doing an ad for Harman, touting Harman's stand with her in the battle against assault weapons...

■ **CRP & Gov. Wilson Poed at Consultant** - No, it's not Bob Mulholland, but rather veteran GOP campaign consultant Allan Hoffenblum who has the CRP and Wilson all stirred up for carrying NO on 226 on his slate card aimed at 1.5 million likely GOP voters. The spot on Hoffenblum's *Citizens for Representative Govt.* slate was paid for by the powerful CCPOA, a group which backs lots of GOP candidates --- but in this case has broken ranks to oppose 226. The CRP passed a resolution blasting Hoffenblum. In a WSJ article by staffer Mitchell Benson, Hoffenblum says, "If we ...impose restrictions on labor unions and their freedom of speech because we disagree with their political stands, then we are opening the door for such restrictions to be placed on businesses and other private organizations in the future."...

■ **CA Senate OKs New Primary Date** - SB 1999 by Sen. Jim Costa(D-Fresno) and SOS Bill Jones(R) was approved on a 26-10 bipartisan vote. If this bill clears the Assembly and is signed by Gov. Wilson, it will consolidate CA's presidential primary with Oregon & Washington --- to Mar. 7, 2000...

■ **Campaign '98 GOP Humor** - You be the judge of whether GOPers make good comedy writers. These 3 short jokes are at the expense of Demos (naturally).
1) Why did Al Checchi buy NBC-TV's *Seinfeld*? Market targeting --- a show & a candidate about *nothing*.

2) Why did Gray Davis have to reshoot his color tv ads 4 times? They kept coming out *black & white*. And 3) Jane Harman's quote of the month: "I won't be going negative --- *just going*."...

■ **San Jose Mayor's Race Update** - A big boost for former County Sup. Ron Gonzales bid to become mayor of Calif.'s 3rd largest city: San Jose Councilman Frank Fiscalini endorsed Gonzales over fellow council-member Pat Dando. Fiscalini joins five other councilmembers who are backing Gonzales...

■ **The Attack FAX** - New technology demands new ways of hitting your political opponent - and the attack fax is about as hi-tech as you can get. Master of the attack fax in this cycle is Lt. Gov. Gray Davis's campaign director, Garry South, but Darrell Issa's U.S. Senate campaign isn't bad either. One of the more vicious ways to attack an opponent is with an *anonymous fax*. Either the ☒ number at the top of the page is missing or phony numbers are put in. The most recent target of an anonymous fax attack was GOP AG candidate Mike Capizzi. The anonymous fax was made to look like a real news release --- it's only when you start reading it that you realize what it is. And you feel like taking a shower afterwards. Really vicious stuff...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook. We've got a ton of these notes in our file...

● Joe Wierzbicki has re-joined Sacto-based Russo Marsh + Raper. He'll work on 3 statewide GOP primary races: U.S. Senate, Treasurer and AG...

● Corinne Fat Chee, former tv journalist, and Susan Johnson, former legislative staffer, have joined the Sacto office of Nelson Communications...

● The Sacto office of Edelman PR has won a Golden World Award from the IPRA for its pro-bono work on the Cure Breast Cancer 33-cent stamp campaign...

● Bell, McAndrews & Hiltachk have announced James F. Sweeney has joined their law firm. He was chief counsel to SOS Bill Jones...